

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
NEWPORT NEWS DIVISION

In re: Carter's Grove, LLC

Case No. 11-51330

CHAPTER 11
MONTHLY OPERATING REPORT

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 08/31/11

PETITION DATE: 02/14/11

1. Debtor in possession hereby submits this Monthly Operating Report on the Accrual Basis of accounting.

Dollars reported in \$1

2. Asset and Liability Structure

	End of Current Month	End of Prior Month	As of Petition Filing
a. Current Assets	\$27,133	\$35,037	
b. Total Assets	\$15,983,551	\$15,985,475	\$21,156,418
c. Current Liabilities	\$6,394	\$23,878	
d. Total Liabilities	\$12,496,870	\$12,514,354	\$12,490,476

3. Statement of Cash Receipts & Disbursements for Month

	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$45,000	\$84,744	\$231,697
b. Total Disbursements	\$52,904	\$57,660	\$210,563
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$7,904)	\$27,085	\$21,133
d. Cash Balance Beginning of Month	\$35,037	\$1,973	\$0
e. Cash Balance End of Month (c + d)	\$27,133	\$29,057	\$21,133

4. Profit/(Loss) from the Statement of Operations

	Current Month	Prior Month	Cumulative (Case to Date)
	N/A	N/A	N/A
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$6,394	\$23,878	
7. Past Due Post-Petition Account Payables (over 30 days)	\$2,248	\$22,903	

At the end of this reporting month:

	Yes	No
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
10. If the answer is yes to 8 or 9, were all such payments approved by the court?		X
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)		X
12. Is the estate insured for replacement cost of assets and for general liability?	X	
13. Are a plan and disclosure statement on file?	X	
14. Was there any post-petition borrowing during this reporting period?		X

15. Check if paid: Post-petition taxes N/A; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: Not yet due.
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 09/16/11


Responsible Individual

BALANCE SHEET
For the Month Ended 08/31/11

Assets	Check if Exemption Claimed on Schedule C	Market Value
Current Assets		
1 Cash and cash equivalents (including bank accts., CDs, etc.)	_____	\$27,133
2 Accounts receivable (net)	_____	\$0
3 Retainer(s) paid to professionals	_____	\$0
4 Other: _____	_____	\$0
5 _____	_____	_____
6 Total Current Assets		<u>\$27,133</u>
Long Term Assets (Market Value)		
7 Real Property (residential)	_____	\$15,800,000
8 Real property (rental or commercial)	_____	_____
9 Furniture, Fixtures, and Equipment	_____	\$149,918
10 Vehicles	_____	\$6,500
11 Partnership interests	_____	\$0
12 Interest in corporations	_____	\$0
13 Stocks and bonds	_____	\$0
14 Interests in IRA, Keogh, other retirement plans	_____	\$0
15 Other: _____	_____	\$0
16 _____	_____	_____
17 Total Long Term Assets		<u>\$15,956,418</u>
18 Total Assets		<u>\$15,983,551</u>
Liabilities		
Post-Petition Liabilities		
Current Liabilities		
19 Post-petition not delinquent (under 30 days)	_____	\$4,146
20 Post-petition delinquent other than taxes (over 30 days)	_____	\$2,248
21 Post-petition delinquent taxes	_____	\$0
22 Accrued professional fees	_____	\$0
23 Other: _____	_____	\$0
24 _____	_____	_____
25 Total Current Liabilities		<u>\$6,394</u>
26 Long-Term Post Petition Debt	_____	_____
27 Total Post-Petition Liabilities		<u>\$6,394</u>
Pre-Petition Liabilities (allowed amount)		
28 Secured claims (residence)	_____	\$12,422,064
29 Secured claims (other)	_____	_____
30 Priority unsecured claims	_____	\$14,992
31 General unsecured claims	_____	\$53,420
32 Total Pre-Petition Liabilities		<u>\$12,490,476</u>
33 Total Liabilities		<u>\$12,496,870</u>
Equity (Deficit)		
34 Total Equity (Deficit)		<u>\$3,486,681</u>
35 Total Liabilities and Equity (Deficit)		<u>\$15,983,551</u>

NOTE:

The value of the real property is based off an appraisal dated 10/19/2009. The appraisal uses both the "Cost Approach" and "Comparable Sales Approach." The value of the equipment is based on the purchase price in 12/07 and subject to depreciation since the date of purchase.

SCHEDULES TO THE BALANCE SHEET

Schedule A Rental Income Information

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property	_____	_____	_____
2 Scheduled Gross Rents	_____	_____	_____
Less:			
3 Vacancy Factor	_____	_____	_____
4 Free Rent Incentives	_____	_____	_____
5 Other Adjustments	_____	_____	_____
6 Total Deductions	\$0	\$0	\$0
7 Scheduled Net Rents	\$0	\$0	\$0
8 Less: Rents Receivable (2)	_____	_____	_____
9 Scheduled Net Rents Collected (2)	\$0	\$0	\$0

(2) To be completed by cash basis reporters only.

Schedule B Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	_____	_____	_____
11 Account No.	_____	_____	_____
12 Account Purpose	_____	_____	_____
13 Balance, End of Month	_____	_____	_____
14 Total Funds on Hand for all Accounts	\$0		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 08/31/11

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	\$0	\$0
2	Cash Received from Sales	\$0	\$0
3	Interest Received	\$0	\$0
4	Borrowings	\$0	\$0
5	Funds from Shareholders, Partners, or Other Insiders	\$0	\$0
6	Capital Contributions	\$45,000	\$231,697
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$45,000	\$231,697
Cash Disbursements			
13	Selling	\$0	\$0
14	Administrative	\$41,287	\$146,755
15	Capital Expenditures	\$0	\$0
16	Principal Payments on Debt	\$0	\$0
17	Interest Paid	\$0	\$0
	Rent/Lease:		
18	Personal Property	\$0	\$0
19	Real Property	\$0	\$0
	Amount Paid to Owner(s)/Officer(s)		
20	Salaries	\$0	\$0
21	Draws	\$0	\$0
22	Commissions/Royalties	\$0	\$0
23	Expense Reimbursements	\$0	\$0
24	Other	\$0	\$0
25	Salaries/Commissions (less employee withholding)	\$8,907	\$48,910
26	Management Fees	\$0	\$0
	Taxes:		
27	Employee Withholding	\$2,711	\$14,898
28	Employer Payroll Taxes	\$0	\$0
29	Real Property Taxes	\$0	\$0
30	Other Taxes	\$0	\$0
31	Other Cash Outflows:	\$0	\$0
32			
33			
34			
35			
36			
37	Total Cash Disbursements:	\$52,904	\$210,563
38	Net Increase (Decrease) in Cash	(\$7,904)	\$21,133
39	Cash Balance, Beginning of Period	\$35,037	
40	Cash Balance, End of Period	\$27,133	\$21,133

Wells Fargo Combined Statement of Accounts

Primary account number: [REDACTED] 3482 ■ August 1, 2011 - August 31, 2011 ■ Page 1 of 6

WELLS
FARGO

CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
GENERAL OPERATIONS ACCOUNT
3810 WASHINGTON ST
SAN FRANCISCO CA 94118-1650

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (114)
P.O. Box 6995
Portland, OR 97228-6995

Your Business and Wells Fargo

Access Wells Fargo/Gallup's Small Business Index reports, press releases and podcasts at wellsfargobusinessinsights.com/small-business-index. The quarterly index reflects small business owner optimism, perceptions of current conditions (past 12 months) and future expectations (next 12 months) relating to financial situation, revenues, cash flow, capital spending, jobs and credit availability.

Account options

A check mark in the box indicates you have these convenient services with your account. Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking
Rewards for Business Check Card
Online Statements
Business Bill Pay
Business Spending Report
Overdraft Protection

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Do you need to order business checks?

Here are 3 easy ways to order:

- 1) Login to wellsfargo.com/checks
- 2) Call Harland Clarke at 1-800-237-8982 (Monday-Friday 5am-9pm PST, Saturday 5am-4pm PST)
- 3) Contact your banker

Primary account number: **3482** ■ August 1, 2011 - August 31, 2011 ■ Page 2 of 6

**WELLS
FARGO**

Summary of accounts

Checking and Savings

Account	Page	Account number	Ending balance last statement	Ending balance this statement
Expanded Business Checking	2	2553813482	29,225.70	26,807.43
Expanded Business Checking	4	2553813474	5,693.60	227.74
Expanded Business Checking	5	9637475576	118.03	98.03
Total deposit accounts			\$35,037.33	\$27,133.20

Expanded Business Checking

Activity summary

Beginning balance on 8/1	\$29,225.70
Deposits/Credits	45,000.00
Withdrawals/Debits	- 47,418.27
Ending balance on 8/31	\$26,807.43
Average ledger balance this period	\$24,071.18

Account number: **3482**

**CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
GENERAL OPERATIONS ACCOUNT**

California account terms and conditions apply

For Direct Deposit and Automatic Payments use
Routing Number (RTN): 121042882

For Wire Transfers use
Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
8/1	1093	Check		975.00	
8/1		Dominion VA & NC Bill Pay 110729 7672963401 Dominion VA & NC Powe		843.62	
8/1		Dominion VA & NC Bill Pay 110729 7672979961 Dominion VA & NC Powe		542.82	
8/1		Dominion VA & NC Bill Pay 110729 7672973141 Dominion VA & NC Powe		227.07	
8/1		Billmatrix Bill Pay 110729 7672963402 Billmatrix		14.95	
8/1		Billmatrix Bill Pay 110729 7672979962 Billmatrix		14.95	
8/1		Billmatrix Bill Pay 110729 7672973142 Billmatrix		14.95	26,592.34
8/2	1091	Check		2,000.00	24,592.34
8/8		WT Fed#02392 Suntrust Bank /Org=Halsey Minor OR Srf# 2011080800008669 Trn#110808054562 Rfb#	25,000.00		
8/8		Wire Trans Svc Charge - Sequence: 110808054562 Srf# 2011080800008669 Trn#110808054562 Rfb#		10.00	
8/8	1092	Check		1,182.14	48,400.20
8/9	1121	Check		80.00	48,320.20

Primary account number: 3482 ■ August 1, 2011 - August 31, 2011 ■ Page 3 of 6

WELLS
FARGO

Transaction history (continued)

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
8/11		Online Transfer Ref #Ibe2C4Qbn4 to Expanded Business Checking xxxxxx3474 on 08/11/11		500.00	
8/11	1122	Check		25,000.00	22,820.20
8/16		Dominion VA & NC Bill Pay 110815 7729936761 Dominion VA & NC Powe		9,997.82	
8/16		Billmatrix Bill Pay 110815 7729936762 Billmatrix		14.95	12,807.43
8/26		Deposit	20,000.00		32,807.43
8/30		Online Transfer Ref #Ibeqmlqzmb to Expanded Business Checking Payroll		6,000.00	26,807.43
Ending balance on 8/31					26,807.43
Totals			\$45,000.00	\$47,418.27	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Summary of checks written (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
1091	8/2	2,000.00	1093	8/1	975.00	1122	8/11	25,000.00
1092	8/8	1,182.14	1121 *	8/9	80.00			

* Gap in check sequence.

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Paid and Deposited Items	14	300	0	0.50	0.00
Total service charges					\$0.00



IMPORTANT ACCOUNT INFORMATION

When Change Comes

Wells Fargo Online can help you keep up with your everyday financial needs. Easily move money between your Wells Fargo accounts, or to and from your accounts at other banks. Monitor your Wells Fargo accounts with text and email account alerts. Manage budgeting, spending, and saving with user-friendly online tools. Go to wellsfargo.com (consumer accounts) or wellsfargo.com/biz (business accounts) to sign up or sign on today.

Primary account number: 3482 ■ August 1, 2011 - August 31, 2011 ■ Page 4 of 6



Expanded Business Checking

Activity summary

Beginning balance on 8/1	\$5,693.60
Deposits/Credits	6,500.00
Withdrawals/Debits	- 11,965.86
Ending balance on 8/31	\$227.74
Average ledger balance this period	\$2,238.43

Account number: 3474

**CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
PAYROLL ACCOUNT**

California account terms and conditions apply

For Direct Deposit and Automatic Payments use
Routing Number (RTN): 121042882

For Wire Transfers use
Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
8/1		Paychex Tps Taxes 072211 40978000008245x Carters Grove LLC		1.34	5,692.26
8/10		Paychex Eib Invoice 110810 x41069400023819 Carters Grove LLC		327.30	5,364.96
8/11		Online Transfer Ref #lbe2C4Qbn4 From Expanded Business	500.00		5,864.96
		Checking xxxxxx3482 on 08/11/11			
8/12		Paychex Payroll 41179100000776x Carters Grove LLC		4,453.28	1,411.68
8/15		Paychex Tps Taxes 080811 41179400022062x Carters Grove LLC		1,355.33	56.35
8/30		Online Transfer Ref #lbeqmlqzmb From Expanded Business	6,000.00		
		Checking Payroll			
8/30		Paychex Payroll 41399700000926x Carters Grove LLC		4,453.29	1,603.06
8/31		Paychex Tps Taxes 082411 41401400018563x Carters Grove LLC		1,355.32	
8/31		Monthly Service Fee		20.00	227.74
Ending balance on 8/31					227.74
Totals			\$6,500.00	\$11,965.86	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Paid and Deposited Items	6	300	0	0.50	0.00
Total service charges					\$0.00

Primary account number: [REDACTED] 3482 ■ August 1, 2011 - August 31, 2011 ■ Page 5 of 6



Expanded Business Checking

Activity summary

Beginning balance on 8/1	\$118.03
Deposits/Credits	0.00
Withdrawals/Debits	- 20.00
Ending balance on 8/31	\$98.03
Average ledger balance this period	\$118.03

Account number: [REDACTED] 5576

CARTER'S GROVE LLC
DEBTOR IN POSSESSION
CH 11 CASE #11-51330 (EVA)
TAX ACCOUNT

California account terms and conditions apply

For Direct Deposit and Automatic Payments use
 Routing Number (RTN): 121042882

For Wire Transfers use
 Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Transaction history

<i>Date</i>	<i>Check Number</i>	<i>Description</i>	<i>Deposits/ Credits</i>	<i>Withdrawals/ Debits</i>	<i>Ending daily balance</i>
8/31		Monthly Service Fee		20.00	98.03
Ending balance on 8/31					98.03
Totals			\$0.00	\$20.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

